



FINANCE COMMITTEE MEETING

Wednesday, June 17, 2015

Conference Center Located at Highland Care Pavilion

1411 East 31st Street Oakland, CA 94602

Marla Cox, Clerk of the Board

(510) 535-7535

LOCATION:

HCP Conference Center

MINUTES

OPEN SESSION / ROLL CALL: 4:05pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:

Jim Lugannani, Anthony B. Varni, Kinkini Banerjee

TAB #1 ACTION: CONSENT AGENDA

The Minutes of the May 19th were approved with an exception to reflect that the Airport Lease (Tab 4b) was deferred to the July 2015 Finance Committee Meeting.

Action: A motion was made and seconded that the Board of Trustees approve the minutes of the May 19th Finance Committee meeting with a correction to reflect that the Airport Lease (Tab 4B) was deferred to the July 2015 Finance Committee meeting.

AYES: Trustees Lugannani, Banerjee and Varni

NAYS: None

Abstention: None

TAB #2 DISCUSSION: FINANCE COMMITTEE OPERATIONS

Trustee Lugannani discussed the plans to improve the process and the operations of the Finance Committee.

TAB #3 CHIEF FINANCIAL OFFICER UPDATE

A. REPORT: Current Financial Report

Mr. Cox reported the results of operations for April, 2015, with a reported slight profit of \$0.3 million. Discussion ensued.

TAB #4 ACTION: PRESENTATION OF THE FY2016 BUDGET

Mr. Cox presented the proposed fiscal 2016 operating and capital budget to the Finance Committee.

- The system is expected to meet its EBIDA objective of 5.5%.
- Patient volumes are expected to increase overall by 2.5% with most of the growth occurring in the ambulatory clinic areas.
- Revenue Cycle improvements and patient growth will provide \$68 million in additional net patient revenue over projected fiscal 2015 results.
- Supplemental revenues are expected to drop by \$16 million primarily due to declining Medi-Cal Waiver funds.
- Expenses are proposed to remain flat when compared to projected 2015.
- Budgeted costs include \$3.6 million for the transition into the new acute tower next April.

Mr. Cox discussed the impact to the system of achieving the EBIDA goal. He noted that if achieved it would result in a total of \$56.7 million available to fund the proposed capital budget of \$27.0 million, meet debt service need of \$19.7 million and leave a cash reserve of up to \$9.9 million.

Mr. Cox presented a risk analysis along with a mitigation strategy for each identified risk. The Trustees listened to commitments from the system Chief Administrative Officers regarding budgeted targets and discussed the various risks.

Action: A motion was made and seconded to approve recommendation of the FY2016 Budget to the full Board.

AYES: Trustees Lugannani and Banerjee.

NAYS: Varni

Abstention: None

TAB #5 STAFFING IMPACT ANALYSIS

Ms. Loudon-Corbett presented the Human Resources Impact of AHS FY 2016 Budget, including staffing changes for positions that will be left unfilled, eliminated, and/or subject to layoff. Human Resources management has begun to meet with labor representatives to initiate the workforce planning requirements of these changes.

TAB #6 ACTION: RESOLUTION TO FUND THE 401(h) HEALTH BENEFITS ACCOUNTS PROVIDED BY ACERA (RESOLUTION 2015-015)

Ms. Loudon-Corbett presented the Resolution to Fund the 401(h) Health Benefits Accounts provided by ACERA (Resolution 2015-015).

Action: A motion was made and seconded to approve recommendation of the 401(h) Health Benefits Accounts provided by ACERA (Resolution 2015-015) to the full Board.

AYES: Trustees Lugannani and Banerjee.

NAYS: Varni

Abstention: None

TAB #4 ACTION ITEMS

- A. Contract Amendment with Midas Plus, Inc. to provide application support for Case Management through January 31, 2016, not to exceed \$1,716,505.

David Cox, Chief Financial Officer

Dave Gravender, Chief Information Officer

Action: A motion was made and seconded to approve recommendation of the FY2016 Budget to the full Board.

AYES: Trustees Lugannani , Banerjee and Varni

NAYS: None


Abstention: None

Public Comment

Board of Trustees Remarks

ADJOURNMENT – 8:17pm

Respectfully submitted by:


Marla D. Cox
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: _____


Mike Moyer

Interim General Counsel